

TRANSMITTAL SLIP		DATE 14 Nov. 1978	
TO:		[Redacted] OLC	
ROOM	6D0120 Hqs.		
REMARKS:			
<p>This is the first whack at our reply to Chairman Boland. Please read and prepare your comments and suggestions for improvement. I'll call you soon about setting up a meeting to discuss this.</p>			
FROM:			
ROOM NO.	[Redacted]		
5E56	BUILDING	EXTENSION	
	Hqs.	[Redacted]	

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

STAT

STAT

STAT

Prop. Leg
rec'd 11/10/78
REC-73-3106/4

Honorable Edward P. Boland, Chairman
Permanent Select Committee on Intelligence
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is in reply to your letter of 20 October 1978 in which you note that the quota on CIARDS retirements expires on 30 June 1979 and invited our assessment as to what the level of quota should be in future years.

Our recommendation, which we submit for your consideration, is to allow the quota to expire. We base this position on a thorough review of the experience of having administered CIARDS for 14 years and a careful assessment of the principal factor, organic to the System, that actually determines the number of retirements. We have concluded that the principal factor is the designation of employees as participants in the System rather than a quota. I shall expand on this point in the following paragraphs.

I believe it appropriate, here, to describe for you the extent to which we have used the quota allowed to us since the inception of CIARDS in 1964; in doing so, we are projecting retirements from 14 January to 30 June 1979. During the period 13 October 1964 to 30 June 1979, the quota for retirements under CIARDS, under the various statutory provisions, totaled The total actual usage, however, projected to 30 June 1979, is (366 retirements on disability do not count against quota). Accompanying this letter is a table showing the incidence of retirements by year and by total for each of the three quota periods.

STAT
STAT

The legislative history of CIARDS reveals that at the time the CIARDS Act was being developed, the House and Senate shared the view that the legislation should not be so specific as to disclose classified information, and recognized that the language of the law was therefore purposely vague. Yet the Congress was concerned that the System should be administered so loosely as to permit retire-

ments which
/truly did not satisfy the statutory criteria of Section 203 of the Act.

Approved For Release 2005/08/03 : CIA-RDP81M00980R000700080029-6

As a means of assisting the Director in administering the System in accordance with the intent of Congress and to ensure against misuse of the System, the Congress incorporated these two provisions into the Act: (1) the Agency's internal regulations for administering CIARDS be cleared with specified members of the appropriate committees, and (2) a quota on retirements be established for the first two five-year periods of the System's existence. It is worth repeating here that both these provisions were incorporated for the same purpose; namely, to ensure that the Agency would retire under CIARDS only those employees who satisfied the criteria for participation in the System, as set forth in Section 203.

The measure of the effectiveness and integrity of the Agency in effecting retirements under CIARDS, therefore, pivots on the central issue of how well the Agency designates employees as participants in the System. We submit that the Agency's record in discharging this responsibility has been very good.

You will recall that for three consecutive years [redacted] whose reputation for objectivity and integrity you know, conducted a review of CIARDS specifically to report on just how the Agency has been designating employees as participants in CIARDS. In his annual reports to Congress,

STAT

STAT [redacted] concluded that, except for a brief period in 1969, the designation of participants has been consistent with the intent of Congress, the law and the Agency's own regulations. The one brief relaxation in 1969 of strict application of the criteria for designation had been quickly identified by Agency management as an error and just as quickly repaired. Agency management made it abundantly clear that that brief relaxation was by no means a precedent to be followed. Indeed, in September 1977, in anticipation that some parties might seek to "liberalize" designation into CIARDS to ease the reductions in the

Directorate of Operations, I personally reaffirmed, and conveyed to my top managers, that CIARDS would be administered strictly but fairly in observance of the regulatory criteria and the intent of the law. It will be reassuring to you, Mr. Chairman, to learn that the recommendation that I take that stand and make the appropriate announcement was developed within the Agency management structure; I believe you will agree with me that this fact is indicative of the sense of responsibility that pervades the management structure in regard to this matter.

I submit, therefore, that the record of administration of CIARDS over 14 years shows that the Agency has been designating, and continues to designate, participants in such strict observance of the statutory criteria and the intent of Congress that only those employees who perform the requisite type and length of duty prescribed by the Congress can qualify for retirement under CIARDS. There is no doubt that, in its early stages of learning how to administer the System, the existence of a quota was a helpful device. As reports STAT reveal, however, the Agency has learned its task well and is discharging its responsibilities faithfully. It is fair to say that we are able to stand on our own two feet in administering CIARDS.

The principal function ^{of a quota} was not to limit the number of retirements, per se, but rather to assist the Agency toward a careful application of the criteria for participation. In recognition of the fact that the Agency is doing just that (as the comparison of actual retirements with quota shows), I submit that the guide provided by a quota in the early days has, with the passage of time and the development of managerial experience, served its purpose. Our response to your letter, therefore, is that we believe a quota on CIARDS retirements is no longer a necessity.

We recognize that your Committee, in its oversight function, would have a legitimate interest in remaining informed of the number of retirements under CIARDS each year. We believe it would be useful to your Committee's responsibilities if, with each annual budget submission, we forecast the number of retirements anticipated or planned. We could, in the event of wide variation in any one year, comment on the reason for the change from normal pattern. Because CIARDS is so intimately meshed with the Agency's operational activities, we believe that an annual view of the tempo of CIARDS retirements would provide your Committee an additional perspective of our activity in the operational area.

I am most appreciative of your continuing interest in CIARDS, and I look forward to the future exchanges on this System as suggested in your letter.

Yours sincerely,

STANSFIELD TURNER

Att

STAT

Approved For Release 2005/08/03 : CIA-RDP81M00980R000700080029-6

Approved For Release 2005/08/03 : CIA-RDP81M00980R000700080029-6